

# Reconciliation of the U.S.-Canadian Current Account, 1993-94

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**T**HE RECONCILIATION of the U.S.-Canadian current account for 1993 and 1994 resulted in a shift to a small U.S. deficit, or Canadian surplus, for 1993 and in an increase in the U.S. deficit, or Canadian surplus, for 1994. Before reconciliation, the U.S. published current-account balance with Canada showed a surplus of \$0.4 billion for 1993 and a deficit of \$5.7 billion for 1994. After reconciliation, the U.S. surplus for 1993 shifts to a deficit of \$0.7 billion, and the U.S. deficit for 1994 increases to \$7.0 billion (chart 1, table 1). The corresponding Canadian estimates showed a deficit of \$1.8 billion for 1993 and a surplus of \$3.8 billion for 1994; after reconciliation, the estimates change to surpluses of \$0.7 billion for 1993 and \$7.7 billion for 1994.

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1993 and 1994.<sup>1</sup>

1. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the *SURVEY OF CURRENT BUSINESS*: June 1975, September 1976 and 1977, December 1979, June 1981, and December 1981 through 1991. Complete details of the reconciliations for 1990 and later years were published in the November 1992 and the October 1993 and 1994

The reconciliation is undertaken because of the extensive economic links between the two countries and the need to explain differences in the published Canadian and U.S. estimates of the bilateral current account. In principle, the bilateral current account of one country should mirror the bilateral current account of the other country.

Differences occur in the U.S. and Canadian current accounts as published by the Bureau of Economic Analysis (BEA) and by Statistics Canada because of differences in the definitions, methodologies, and statistical sources used by each agency. The reconciled estimates reflect the elimination of most of those differences.<sup>2</sup>

issues of the *SURVEY*. In Canada, the results were published in the following issues of Canada's *Balance of International Payments* (catalogue 67-001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and Third Quarter 1981 through 1994.

2. A detailed article on the methodology used to reconcile the U.S.-Canadian current account was published by BEA in the November 1992 *SURVEY* and by Statistics Canada in *Reconciliation of the Canadian-United States Current Account, 1990-91*. Statistics Canada also published a shortened version in the December 1992 *Canadian Economic Observer* and in Canada's *Balance of International Payments, Third Quarter 1992*.

Table 1.—Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates <sup>1</sup>	
	United States	Canada	United States	Canada
<b>1993</b>				
Merchandise trade .....	-12.2	14.8	-16.0	16.0
Services .....	7.1	-8.0	6.2	-6.5
Investment income .....	5.7	-9.7	9.4	-9.1
Goods, services, and income .....	.7	-2.9	-.5	.5
Unilateral transfers, net .....	-.3	1.1	-.2	.2
Current account .....	.4	-1.8	-.7	.7
<b>1994</b>				
Merchandise trade .....	-16.2	19.2	-20.2	20.2
Services .....	5.5	-5.9	4.6	-4.5
Investment income .....	5.3	-10.5	8.9	-8.2
Goods, services, and income .....	-5.4	2.8	-6.7	7.4
Unilateral transfers, net .....	.4	1.1	-.3	.3
Current account .....	-5.7	3.8	-7.0	7.7

1. Some differences remain in the reconciled estimates because some service and income estimates could not be fully reconciled.

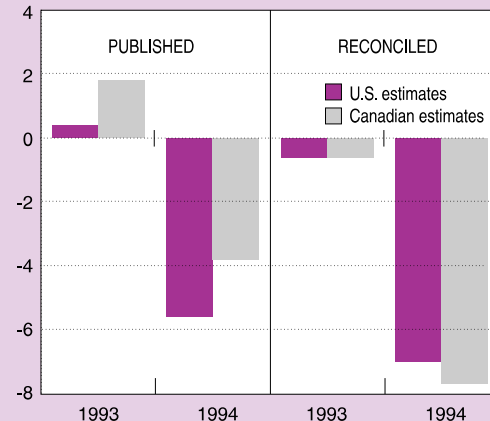
NOTE.—A U.S. surplus (+) is a Canadian deficit (-), and a Canadian surplus (+) is a U.S. deficit (-).

Details may not add to totals because of rounding.

CHART 1

## U.S.-Canadian Current-Account Balance<sup>1</sup>

Billion U.S. \$



1. Balance shown is net northbound—a U.S. surplus is a Canadian deficit, and U.S. deficit is a Canadian surplus.

U.S. Department of Commerce, Bureau of Economic Analysis

However, a few differences, mainly related to insurance transactions, cannot be satisfactorily reconciled because of differences in accounting conventions and survey methods in each country. In addition, some of the remaining differences for 1994 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available.

After reconciliation, revisions are incorporated into the U.S. and Canadian published estimates as far as possible. Exchange of data between Canada and the United States for transactions such as merchandise trade, travel and passenger fares, Canadian and U.S. government transactions, and some transportation transactions covers over 80 percent of the value of the Canadian and U.S. current-account. A more complete exchange of data or substitution of reconciled estimates for published estimates is not feasible, for several reasons: Transactions with third countries would be affected, protection of the confidentiality of source data bars the exchange of data for some transactions, and some requirements for the integration of the international and national (domestic) accounts in each country differ.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits that can be derived from international data sharing. The reconciliation process has resulted in greater accuracy of the published estimates of transactions between Canada and the United States and in increased efficiency in producing the estimates. Wider opportunities for international data sharing may result from the upcoming 1997 yearend coordinated benchmark survey of international portfolio investment to be undertaken by more than


20 countries, including Canada and the United States, under the auspices of the International Monetary Fund.

The details of the current-account reconciliation for 1993–94 are presented in the following tables. **Tables 2.1 and 2.2** show the major types of reconciliation adjustments—definitional, methodological, and statistical—made to the major current-account components. **Tables 3.1 and 3.2** present the published estimates, the reconciled estimates, and the amounts of adjustments for each major component. **Tables 4–8** present the reconciliation details for each current-account component.<sup>3</sup>

### Reconciled Current-Account Balances for 1993–94

In the U.S. current account, the reconciliation adjustments resulted in a shift of \$1.1 billion from a surplus to a deficit for 1993 and in an increase of \$1.3 billion in the deficit for 1994. The changes reflect larger adjustments to the U.S. southbound estimates (payments) than to the northbound estimates (receipts) (**tables 2.1 and 2.2**).<sup>4</sup> The largest increases in the U.S. southbound estimates result from the addition of reexports to U.S. merchandise imports (a definitional adjustment) and from increases in the estimates of transportation and “other services” for undercoverage (statistical adjustments). The largest adjustments to U.S. northbound estimates, such as the reclassification of inland freight and statistical adjustments to transportation and investment income, largely offset each other.

In the Canadian current account, the reconciliation adjustments resulted in a shift of \$2.5 billion from a deficit to a surplus for 1993 and in an increase of \$3.9 billion in the surplus for 1994. The changes reflect increases to Canadian southbound estimates (receipts) and decreases to Canadian northbound estimates (payments). The shift to a Canadian surplus in 1993 is mainly due to a decrease in estimates of northbound services (statistical adjustment). In 1994, the upward adjustment to the Canadian surplus reflects an increase in estimates of southbound investment income and a decrease in estimates of northbound services (statistical adjustments).

*Tables 2.1 through 8.2 follow.* 

The reconciliations were carried out under the direction of Lucie Laliberté, director of Statistics Canada's Balance of Payments Division, and Anthony DiLullo, assistant chief of BEA's Balance of Payments Division. At Statistics Canada, Hugh Henderson, Emmanuel Manolikakis, Robert Théberge, Denis Caron, and Linda Tassé participated in the reconciliation of the Canadian accounts. Denis Caron was responsible for the production and coordination of reconciliation tables. At BEA, Russell Scholl, assisted by Jane Newstedt, was responsible for reconciling the U.S. portfolio income accounts; Mark New, for the accounts related to U.S. direct investment in Canada; Gregory M. Fouch, for the accounts related to Canadian direct investment in the United States; and Kwok Lee, for merchandise trade.

3. For reconciliation purposes, some of the details in the tables in this article differ from those in balance-of-payments tables regularly published by BEA and Statistics Canada.

4. In this article, the term “northbound” refers to U.S. receipts, or Canadian payments; the term “southbound” refers to U.S. payments, or Canadian receipts. All values are expressed in U.S. dollars.

Table 2.1.—Summary of Reconciliation Adjustments, Northbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
<b>1993</b>										
Merchandise trade .....		-409	-4,398				402		-3,996	-409
Services .....	-1,183	-482	4,398		-252	-506	-1,957	-408	1,006	-1,396
Transfers under U.S. military agency sales contracts .....								140		140
Travel .....							-78		-78	
Passenger fares .....							-174		-174	
Transportation .....	-1,183		4,585	417			-2,206	-141	1,196	276
Inland freight .....			4,585				-2,284		2,301	
Other .....	-1,183			417			78	-141	-1,105	276
Other services .....		-482	-187	-417	-252	-506	501	-408	62	-1,813
Affiliated .....		-265	-23				250	-724	227	-989
Unaffiliated .....		-217	-164	-426	-252	-506	209	316	-207	-833
Government .....				9			42		42	9
Investment income .....		-513			-146	446	3,503	-16	3,357	-83
Direct .....		-252		-50		-66	76	6	76	-362
Other .....		-261		50	-146	512	3,427	-22	3,281	279
Unilateral transfers .....		-127			330		78		408	-127
<b>Total adjustments</b> .....		<b>-1,531</b>			<b>-68</b>	<b>-60</b>	<b>2,026</b>	<b>-424</b>	<b>775</b>	<b>-2,015</b>
<b>1994</b>										
Merchandise trade .....		47	-4,417				603		-3,814	47
Services .....	-1,303	-491	4,417		-245	-478	-2,059	-42	810	-1,011
Transfers under U.S. military agency sales contracts .....								150		150
Travel .....							-65		-65	
Passenger fares .....							-126		-126	
Transportation .....	-1,303		4,628	428			-2,193	-297	1,132	131
Inland freight .....			4,628				-2,261	42	2,367	42
Other .....	-1,303			428			68	-339	-1,235	89
Other services .....		-491	-211	-427	-245	-478	325	105	-131	-1,291
Affiliated .....		-250	-24				250	-326	226	-576
Unaffiliated .....		-241	-187	-438	-245	-478	34	422	-398	-735
Government .....				11			41	9	41	20
Investment income .....		-470			-295	724	3,182	330	2,887	584
Direct .....		-195		-72		-70	32	362	32	25
Other .....		-275		72	-295	794	3,150	-32	2,855	559
Unilateral transfers .....		-122			317		84		401	-122
<b>Total adjustments</b> .....		<b>-1,036</b>			<b>-223</b>	<b>246</b>	<b>1,810</b>	<b>288</b>	<b>284</b>	<b>-502</b>

Table 2.2.—Summary of Reconciliation Adjustments, Southbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
<b>1993</b>										
Merchandise trade .....	2,074	2,062	-956	-2,193	.....	.....	-288	.....	830	-131
Services .....	-485	-2,145	955	2,193	-506	-252	109	2,128	73	1,924
Direct defense expenditures .....	.....	.....	39	-76	.....	.....	-28	.....	11	-76
Travel .....	.....	.....	.....	.....	.....	.....	.....	-7	.....	-7
Passenger fares .....	.....	.....	.....	.....	.....	.....	.....	-7	.....	-7
Transportation .....	-85	-2,145	1,317	2,269	.....	.....	155	1,388	1,387	1,512
Inland freight .....	.....	.....	956	2,269	.....	.....	109	1,401	1,065	3,670
Other .....	-85	-2,145	361	.....	.....	.....	46	-13	322	-2,158
Other services .....	-400	.....	-401	.....	-506	-252	-18	754	-1,325	502
Affiliated .....	-10	.....	.....	.....	.....	.....	-167	.....	-177	.....
Unaffiliated .....	-390	.....	-361	.....	-506	-252	149	683	-1,108	431
Government .....	.....	.....	-40	.....	.....	.....	.....	71	-40	71
Investment income .....	-225	.....	.....	.....	446	-146	310	-142	531	-288
Direct .....	-100	.....	.....	.....	-66	.....	-347	221	-513	221
Other .....	-125	.....	.....	.....	512	-146	657	-363	1,044	-509
Unilateral transfers .....	-965	.....	.....	.....	.....	330	-9	.....	-974	330
<b>Total adjustments</b> .....	<b>399</b>	<b>-83</b>	.....	.....	<b>-60</b>	<b>-68</b>	<b>122</b>	<b>1,986</b>	<b>460</b>	<b>1,835</b>
<b>1994</b>										
Merchandise trade .....	1,925	2,702	-877	-2,571	.....	.....	-32	.....	1,016	131
Services .....	-553	-2,462	877	2,571	-478	-245	562	1,921	408	1,786
Direct defense expenditures .....	.....	.....	46	-35	.....	.....	-24	.....	22	-35
Travel .....	.....	.....	.....	.....	.....	.....	.....	-7	.....	-7
Passenger fares .....	.....	.....	.....	.....	.....	.....	.....	-9	.....	-9
Transportation .....	-106	-2,462	1,239	2,606	.....	.....	283	1,322	1,416	1,466
Inland freight .....	.....	.....	877	2,606	.....	.....	189	1,402	1,066	4,008
Other .....	-106	-2,462	362	.....	.....	.....	94	-80	350	-2,542
Other services .....	-447	.....	-408	.....	-478	-245	303	615	-1,030	370
Affiliated .....	-10	.....	.....	.....	.....	.....	14	.....	4	.....
Unaffiliated .....	-437	.....	-362	.....	-478	-245	278	546	-999	301
Government .....	.....	.....	-46	.....	.....	.....	11	69	-35	69
Investment income .....	-236	.....	.....	.....	724	-295	2,379	-367	2,867	-662
Direct .....	-112	.....	.....	.....	-70	.....	1,920	41	1,738	41
Other .....	-124	.....	.....	.....	794	-295	459	-408	1,129	-703
Unilateral transfers .....	-894	.....	.....	.....	.....	317	-15	.....	-909	317
<b>Total adjustments</b> .....	<b>242</b>	<b>240</b>	.....	.....	<b>246</b>	<b>-223</b>	<b>2,894</b>	<b>1,554</b>	<b>3,382</b>	<b>1,572</b>

Table 3.1.—U.S.-Canadian Current-Account Reconciliation, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada
<b>1993</b>								
Northbound goods, services, and income .....	129,338	131,470	-2,132	129,705	129,582	123	367	-1,888
Merchandise trade .....	101,155	97,568	3,587	97,159	97,159	.....	-3,996	-409
Services .....	17,995	20,429	-2,434	19,001	19,033	-32	1,006	-1,396
Transfers under U.S. military agency sales contracts .....	140	( <sup>1</sup> )	140	140	140	.....	.....	140
Travel .....	7,458	7,380	78	7,380	7,380	.....	-78	.....
Passenger fares .....	1,191	1,017	174	1,017	1,017	.....	-174	.....
Inland freight .....	( <sup>2</sup> )	2,301	-2,301	2,301	2,301	.....	2,301	.....
Other transportation .....	2,159	755	1,404	1,054	1,031	23	-1,105	276
Royalties and license fees .....	1,242	1,156	86	( <sup>3</sup> )	( <sup>3</sup> )	.....	-1,242	-1,156
Other services .....	5,805	7,820	-2,015	7,109	7,164	-55	1,304	-656
Investment income .....	10,188	13,473	-3,285	13,545	13,390	155	3,357	-83
Direct investment .....	3,941	4,224	-283	4,017	3,862	155	76	-362
Other private assets/liabilities .....	6,234	9,249	-3,015	9,528	9,528	.....	3,294	279
U.S. Government assets .....	13	( <sup>4</sup> )	13	( <sup>4</sup> )	( <sup>4</sup> )	.....	-13	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	535	-535	408	408	.....	408	-127
<b>Current account, northbound .....</b>	<b>129,338</b>	<b>132,005</b>	<b>-2,667</b>	<b>130,113</b>	<b>129,990</b>	<b>123</b>	<b>775</b>	<b>-2,015</b>
<b>1994</b>								
Northbound goods, services, and income .....	145,300	144,971	329	145,183	144,591	592	-117	-380
Merchandise trade .....	114,869	111,008	3,861	111,055	111,055	.....	-3,814	47
Services .....	17,451	18,998	-1,547	18,261	17,987	274	810	-1,011
Transfers under U.S. military agency sales contracts .....	150	( <sup>1</sup> )	150	150	150	.....	.....	150
Travel .....	6,251	6,186	65	6,186	6,186	.....	-65	.....
Passenger fares .....	1,133	1,007	126	1,007	1,007	.....	-126	.....
Inland freight .....	( <sup>2</sup> )	2,325	-2,325	2,367	2,367	.....	2,367	42
Other transportation .....	2,345	1,006	1,339	1,110	1,094	16	-1,235	89
Royalties and license fees .....	1,229	1,084	145	( <sup>3</sup> )	( <sup>3</sup> )	.....	-1,229	-1,084
Other services .....	6,343	7,390	-1,047	7,441	7,183	258	1,098	-207
Investment income .....	12,980	14,965	-1,985	15,867	15,549	318	2,887	584
Direct investment .....	4,925	4,614	311	4,957	4,639	318	32	25
Other private assets/liabilities .....	8,050	10,351	-2,301	10,910	10,910	.....	2,860	559
U.S. Government assets .....	5	( <sup>4</sup> )	5	( <sup>4</sup> )	( <sup>4</sup> )	.....	-5	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	523	-523	401	401	.....	401	-122
<b>Current account, northbound .....</b>	<b>145,300</b>	<b>145,494</b>	<b>-194</b>	<b>145,584</b>	<b>144,992</b>	<b>592</b>	<b>284</b>	<b>-502</b>

1. In the Canadian published accounts, transactions of U.S. military agencies are not shown separately.

2. In the U.S. published accounts, inland freight is included in the merchandise trade account.

3. Royalties and license fees are included in other services for reconciliation.

4. Income on U.S. Government assets is included in income on other private assets in the Canadian published accounts. The same treatment is used for reconciliation.

Table 3.2.—U.S.-Canadian Current-Account Reconciliation, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States
<b>1993</b>								
Southbound goods, services, and income .....	128,601	128,660	-59	130,035	130,165	-130	1,434	1,505
Merchandise trade .....	112,349	113,310	-961	113,179	113,179	.....	830	-131
Services .....	12,478	10,901	1,577	12,551	12,825	-274	73	1,924
Direct defense expenditures .....	( <sup>1</sup> )	87	-87	11	11	.....	11	-76
Travel .....	3,685	3,692	-7	3,685	3,685	.....	.....	-7
Passenger fares .....	253	260	-7	253	253	.....	.....	-7
Inland freight .....	2,605	( <sup>2</sup> )	2,605	3,670	3,670	.....	1,065	3,670
Other transportation .....	435	2,911	-2,476	757	753	4	322	-2,158
Royalties and license fees .....	112	94	18	( <sup>3</sup> )	( <sup>3</sup> )	.....	-112	-94
Other services .....	5,388	3,857	1,545	4,175	4,453	-278	-1,213	596
Investment income .....	3,774	4,449	-675	4,305	4,161	144	531	-288
Direct investment .....	1,083	214	869	570	435	135	-513	221
Other private assets/liabilities .....	2,009	2,724	-715	2,639	2,630	9	630	-94
U.S. Government liabilities .....	682	1,511	-829	1,096	1,096	.....	414	-415
Unilateral transfers, net .....	.....	315	-315	.....	.....	.....	.....	-315
Unilateral transfers, gross .....	1,619	.....	1,619	645	645	.....	-974	645
<b>Current account, southbound .....</b>	<b>130,220</b>	<b>128,975</b>	<b>1,245</b>	<b>130,680</b>	<b>130,810</b>	<b>-130</b>	<b>460</b>	<b>1,835</b>
<b>1994</b>								
Southbound goods, services, and income .....	147,728	150,659	-2,931	152,019	151,914	105	4,291	1,255
Merchandise trade .....	130,230	131,115	-885	131,246	131,246	.....	1,016	131
Services .....	13,058	11,906	1,152	13,466	13,692	-226	408	1,786
Direct defense expenditures .....	( <sup>1</sup> )	57	-57	22	22	.....	22	-35
Travel .....	3,905	3,912	-7	3,905	3,905	.....	.....	-7
Passenger fares .....	293	302	-9	293	293	.....	.....	-9
Inland freight .....	2,942	( <sup>2</sup> )	2,942	4,008	4,008	.....	1,066	4,008
Other transportation .....	432	3,320	-2,888	782	778	4	350	-2,542
Royalties and license fees .....	110	77	33	( <sup>3</sup> )	( <sup>3</sup> )	.....	-110	-77
Other services .....	5,376	4,238	1,138	4,456	4,686	-230	-920	448
Investment income .....	4,440	7,638	-3,198	7,307	6,976	331	2,867	-662
Direct investment .....	1,263	2,654	-1,391	3,001	2,695	306	1,738	41
Other private assets/liabilities .....	2,429	3,017	-588	2,949	2,924	25	520	-93
U.S. Government liabilities .....	748	1,967	-1,219	1,357	1,357	.....	609	-610
Unilateral transfers, net .....	.....	366	-366	.....	.....	.....	.....	-366
Unilateral transfers, gross .....	1,592	.....	1,592	683	683	.....	-909	683
<b>Current account, southbound .....</b>	<b>149,320</b>	<b>151,025</b>	<b>-1,705</b>	<b>152,702</b>	<b>152,597</b>	<b>105</b>	<b>3,382</b>	<b>1,572</b>

1. In the Canadian published accounts, transactions of U.S. military agencies are not shown separately.

2. In the U.S. published accounts, inland freight is included in the merchandise trade account.

3. Royalties and license fees are included in other services for reconciliation.

**Table 4.1.—Merchandise Trade, Northbound**

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
<b>1993</b>			
<b>Balance of payments basis, published .....</b>	<b>101,155</b>	<b>97,568</b>	
Reconciliation adjustments:			
Inland freight .....	—4,585	.....	Reclassification
Repair of equipment .....	187	.....	Reclassification
Other balance of payments adjustments .....	6	—409	Definitional
Statistical adjustments .....	396	.....	Statistical
<b>Reconciled .....</b>	<b>97,159</b>	<b>97,159</b>	
<b>1994</b>			
<b>Balance of payments basis, published .....</b>	<b>114,869</b>	<b>111,008</b>	
Reconciliation adjustments:			
Inland freight .....	—4,628	.....	Reclassification
Repair of equipment .....	211	.....	Reclassification
Other balance of payments adjustments .....	—6	47	Definitional
Statistical adjustments .....	608	.....	Statistical
<b>Reconciled .....</b>	<b>111,055</b>	<b>111,055</b>	

**Table 4.2.—Merchandise Trade, Southbound**

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
<b>1993</b>			
<b>Balance of payments basis, published .....</b>	<b>112,349</b>	<b>113,310</b>	
Reconciliation adjustments:			
Canadian reexports .....	.....	1,963	Definitional
Inland freight .....	—956	—2,193	Reclassification
Other balance of payments adjustments .....	2,074	99	Definitional
Statistical adjustments .....	—288	.....	Statistical
<b>Reconciled .....</b>	<b>113,179</b>	<b>113,179</b>	
<b>1994</b>			
<b>Balance of payments basis, published .....</b>	<b>130,230</b>	<b>131,115</b>	
Reconciliation adjustments:			
Canadian reexports .....	.....	2,840	Definitional
Inland freight .....	—877	—2,571	Reclassification
Other balance of payments adjustments .....	1,925	—138	Definitional
Statistical adjustments .....	—32	.....	Statistical
<b>Reconciled .....</b>	<b>131,246</b>	<b>131,246</b>	

Table 5.1.—Transportation, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
<b>1993</b>									
<b>Total</b> .....	<b>2,159</b>	<b>3,056</b>	<b>-897</b>	<b>3,355</b>	<b>3,332</b>	<b>23</b>	<b>1,196</b>	<b>276</b>	
Freight .....	1,595	692	903	570	577	-7	-1,025	-115	
Ocean .....	11	216	-205	133	133	.....	122	-83	Statistical
Air .....	43	76	-33	60	60	.....	17	-16	Statistical
Other .....	1,541	400	1,141	377	384	-7	-1,164	-16	Definitional and statistical
Port services .....	477	41	436	298	268	30	-179	227	
Vessel operators .....	110	25	85	55	25	30	-55	.....	Statistical
Airline operators .....	233	.....	233	233	233	.....	.....	233	Reclassification and statistical
Other .....	134	16	118	10	10	.....	-124	-6	Reclassification and statistical
Other .....	87	23	64	186	186	.....	99	163	Reclassification and statistical
Inland freight .....	.....	2,301	-2,301	2,301	2,301	.....	2,301	.....	Definitional, reclassification, and statistical
<b>1994</b>									
<b>Total</b> .....	<b>2,345</b>	<b>3,331</b>	<b>-986</b>	<b>3,477</b>	<b>3,461</b>	<b>16</b>	<b>1,132</b>	<b>130</b>	
Freight .....	1,733	924	809	579	587	-8	-1,154	-337	
Ocean .....	22	391	-369	131	131	.....	109	-260	Statistical
Air .....	49	72	-23	67	67	.....	18	-5	Statistical
Other .....	1,662	461	1,201	381	389	-8	-1,281	-72	Definitional and statistical
Port services .....	514	50	464	321	297	24	-193	247	
Vessel operators .....	116	31	85	58	34	24	-58	3	Statistical
Airline operators .....	253	.....	253	253	253	.....	.....	253	Reclassification and statistical
Other .....	145	19	126	10	10	.....	-135	-9	Reclassification and statistical
Other .....	98	32	66	210	210	.....	112	178	Reclassification and statistical
Inland freight .....	.....	2,325	-2,325	2,367	2,367	.....	2,367	42	Definitional, reclassification, and statistical

Table 5.2.—Transportation, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
<b>1993</b>									
<b>Total</b> .....	<b>3,040</b>	<b>2,911</b>	<b>129</b>	<b>4,427</b>	<b>4,423</b>	<b>4</b>	<b>1,387</b>	<b>1,512</b>	
Freight .....	285	2,361	-2,076	289	289	.....	4	-2,072	
Ocean .....	142	78	64	142	142	.....	.....	64	Statistical
Air .....	54	46	8	60	60	.....	6	14	Statistical
Other .....	89	2,237	-2,148	87	87	.....	-2	-2,150	Definitional and statistical
Port services .....	52	414	-362	337	333	4	285	-81	
Vessel operators .....	5	89	-84	45	45	.....	40	-44	Statistical
Airline operators .....	.....	248	-248	230	230	.....	230	-18	Reclassification and statistical
Other .....	47	77	-30	62	58	4	15	-19	Reclassification and statistical
Other .....	98	136	-38	131	131	.....	33	-5	Definitional, reclassification, and statistical
Inland freight .....	2,605	.....	2,605	3,670	3,670	.....	1,065	3,670	Reclassification and statistical
<b>1994</b>									
<b>Total</b> .....	<b>3,374</b>	<b>3,320</b>	<b>54</b>	<b>4,790</b>	<b>4,786</b>	<b>4</b>	<b>1,416</b>	<b>1,466</b>	
Freight .....	265	2,716	-2,451	311	311	.....	46	-2,405	
Ocean .....	109	97	12	160	160	.....	51	63	Statistical
Air .....	59	54	5	66	66	.....	7	12	Statistical
Other .....	97	2,565	-2,468	86	86	.....	-11	-2,479	Definitional and statistical
Port services .....	55	456	-401	325	321	4	270	-135	
Vessel operators .....	4	141	-137	70	70	.....	66	-71	Statistical
Airline operators .....	.....	238	-238	190	190	.....	190	-48	Reclassification and statistical
Other .....	51	77	-26	65	61	4	14	-16	Reclassification and statistical
Other .....	112	148	-36	146	146	.....	34	-2	Definitional, reclassification, and statistical
Inland freight .....	2,942	.....	2,942	4,008	4,008	.....	1,066	4,008	Reclassification and statistical



Table 6.1.—Other Service, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
<b>1993</b>									
<b>Total .....</b>	<b>7,047</b>	<b>8,976</b>	<b>-1,929</b>	<b>7,109</b>	<b>7,164</b>	<b>-55</b>	<b>62</b>	<b>-1,812</b>	
<b>Private:</b>									
Affiliated .....	3,700	5,093	-1,393	3,927	4,103	-176	227	-990	Definitional and statistical
Royalties and license fees .....	1,082	999	83	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	2,618	4,094	-1,476	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	2,911	3,433	-522	2,704	2,581	123	-207	-852	
Royalties, license fees, and selected services .....	349	383	-34	365	365	.....	16	-18	Statistical
Insurance .....	264	616	-352	264	218	46	.....	-398	Gross to net and statistical
Financial services .....	483	431	52	504	410	94	21	-21	Statistical
Education .....	364	246	118	364	364	.....	.....	118	Statistical
Communications .....	252	.....	252	.....	.....	.....	-252	.....	Gross to net
Business services .....	820	592	228	660	677	-17	-160	85	Reclassification and statistical
Sports and entertainment .....	223	409	-186	391	391	.....	168	-18	Statistical
Commuters' wages .....	56	56	.....	56	56	.....	.....	.....	
Trade union transactions .....	100	100	.....	100	100	.....	.....	.....	
Other .....	.....	600	-600	.....	.....	.....	.....	-600	
Commissions .....	.....	174	-174	.....	.....	.....	.....	-174	Definitional
Airline port services .....	.....	243	-243	.....	.....	.....	.....	-243	Reclassification
Railway port services .....	.....	148	-148	.....	.....	.....	.....	-148	Reclassification
Aircraft leasing .....	.....	35	-35	.....	.....	.....	.....	-35	Reclassification
<b>Government:</b>									
United States .....	78	50	28	78	80	-2	.....	30	Statistical
Canada .....	358	400	-42	400	400	.....	42	.....	Statistical
<b>1994</b>									
<b>Total .....</b>	<b>7,572</b>	<b>8,474</b>	<b>-902</b>	<b>7,441</b>	<b>7,183</b>	<b>258</b>	<b>-131</b>	<b>-1,291</b>	
<b>Private:</b>									
Affiliated .....	3,951	4,788	-837	4,177	4,212	-35	226	-576	Definitional and statistical
Royalties and license fees .....	1,062	936	126	( <sup>1</sup> )	( <sup>1</sup> )	.....	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	2,889	3,852	-963	( <sup>1</sup> )	( <sup>1</sup> )	.....	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	3,234	3,275	-41	2,838	2,540	298	-396	-735	
Royalties, license fees, and selected services .....	393	359	34	343	343	.....	-50	-16	Statistical
Insurance .....	450	577	-127	450	258	192	.....	-319	Gross to net and statistical
Financial services .....	436	356	80	457	336	121	21	-20	Statistical
Education .....	396	244	152	396	396	.....	.....	152	Statistical
Communications .....	245	.....	245	.....	.....	.....	-245	.....	Gross to net
Business services .....	948	559	389	668	683	-15	-280	124	Reclassification and statistical
Sports and entertainment .....	211	385	-174	369	369	.....	158	-16	Statistical
Commuters' wages .....	56	56	.....	56	56	.....	.....	.....	
Trade union transactions .....	99	99	.....	99	99	.....	.....	.....	
Other .....	.....	640	-640	.....	.....	.....	.....	-640	
Commissions .....	.....	202	-202	.....	.....	.....	.....	-202	Definitional
Airline port services .....	.....	255	-255	.....	.....	.....	.....	-255	Reclassification
Railway port services .....	.....	147	-147	.....	.....	.....	.....	-147	Reclassification
Aircraft leasing .....	.....	36	-36	.....	.....	.....	.....	-36	Reclassification
<b>Government:</b>									
United States .....	43	28	15	43	48	-5	.....	20	Statistical
Canada .....	344	383	-39	383	383	.....	39	.....	Statistical

1. Royalties and license fees are combined with other services for reconciliation.

Table 6.2.—Other Services, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
<b>1993</b>									
<b>Total .....</b>	<b>5,500</b>	<b>3,951</b>	<b>1,549</b>	<b>4,175</b>	<b>4,453</b>	<b>-278</b>	<b>-1,325</b>	<b>502</b>	
<b>Private:</b>									
Affiliated .....	2,071	1,779	292	1,894	1,779	115	-177	.....	Definitional and statistical
Royalties and license fees .....	78	69	9	(1)	(1)	.....	(1)	(1)	
Other services .....	1,993	1,710	283	(1)	(1)	.....	(1)	(1)	
Unaffiliated .....	3,161	1,975	1,186	2,013	2,406	-393	-1,148	431	
Royalties, license fees, and selected services .....	316	136	180	312	312	.....	-4	176	Statistical
Insurance .....	615	427	188	54	427	-373	-561	.....	Gross to net and statistical
Financial services .....	300	383	-83	301	301	.....	1	-82	Statistical
Education .....	38	29	9	38	38	.....	.....	9	Statistical
Communications .....	91	363	-272	91	111	-20	.....	-252	Gross to net
Business services .....	493	318	175	695	695	.....	202	377	Reclassification and statistical
Sports and entertainment .....	261	58	203	261	261	.....	.....	203	Statistical
Commuters' wages .....	147	147	.....	147	147	.....	.....	.....	
Trade union transactions .....	114	114	.....	114	114	.....	.....	.....	
Other .....	786	.....	786	.....	.....	.....	-786	.....	
Commissions .....	349	.....	349	.....	.....	.....	-349	.....	Definitional
Airline port services .....	246	.....	246	.....	.....	.....	-246	.....	Reclassification
Railway port services .....	84	.....	84	.....	.....	.....	-84	.....	Reclassification
Aircraft leasing .....	31	.....	31	.....	.....	.....	-31	.....	Reclassification
U.S. defense expenditures .....	39	.....	39	.....	.....	.....	-39	.....	Reclassification
Refining fees .....	37	.....	37	.....	.....	.....	-37	.....	Definitional
<b>Government:</b>									
Canada .....	71	.....	71	71	71	.....	.....	71	Statistical
United States .....	197	197	.....	197	197	.....	.....	.....	Statistical
<b>1994</b>									
<b>Total .....</b>	<b>5,486</b>	<b>4,315</b>	<b>1,171</b>	<b>4,456</b>	<b>4,686</b>	<b>-230</b>	<b>-1,030</b>	<b>370</b>	
<b>Private:</b>									
Affiliated .....	2,035	1,876	159	2,041	1,876	165	6	.....	Definitional and statistical
Royalties and license fees .....	76	43	33	(1)	(1)	.....	(1)	(1)	
Other services .....	1,959	1,833	126	(1)	(1)	.....	(1)	(1)	
Unaffiliated .....	3,213	2,259	954	2,166	2,560	-394	-1,047	301	
Royalties, license fees, and selected services .....	310	152	158	306	306	.....	-4	154	Statistical
Insurance .....	605	521	84	176	521	-345	-429	.....	Gross to net and statistical
Financial services .....	355	417	-62	355	355	.....	.....	-62	Statistical
Education .....	38	32	6	38	38	.....	.....	6	Statistical
Communications .....	105	399	-294	105	154	-49	.....	-245	Gross to net
Business services .....	484	424	60	711	711	.....	227	287	Reclassification and statistical
Sports and entertainment .....	217	56	161	217	217	.....	.....	161	Statistical
Commuters' wages .....	145	145	.....	145	145	.....	.....	.....	
Trade union transactions .....	113	113	.....	113	113	.....	.....	.....	
Other .....	841	.....	841	.....	.....	.....	-841	.....	
Commissions .....	400	.....	400	.....	.....	.....	-400	.....	Definitional
Airline port services .....	244	.....	244	.....	.....	.....	-244	.....	Reclassification
Railway port services .....	84	.....	84	.....	.....	.....	-84	.....	Reclassification
Aircraft leasing .....	35	.....	35	.....	.....	.....	-35	.....	Reclassification
U.S. defense expenditures .....	46	.....	46	.....	.....	.....	-46	.....	Reclassification
Refining fees .....	32	.....	32	.....	.....	.....	-32	.....	Definitional
<b>Government:</b>									
Canada .....	69	.....	69	69	69	.....	.....	69	Statistical
United States .....	169	180	-11	180	180	.....	11	.....	Statistical

1. Royalties and license fees are combined with other services for reconciliation.

**Table 7.1.—Direct Investment Income, Northbound**

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
<b>1993</b>									
<b>Direct investment income .....</b>	<b>3,941</b>	<b>4,224</b>	<b>-283</b>	<b>4,017</b>	<b>3,862</b>	<b>155</b>	<b>76</b>	<b>-362</b>	
Earnings of incorporated affiliates ..	2,786	3,069	-283	2,785	2,699	86	-1	-370	
Dividends .....	1,578	2,200	-622	1,600	1,600	.....	22	-600	Definitional, reclassification, and statistical
Reinvested earnings .....	1,208	869	339	1,185	1,099	86	-23	230	Statistical
Earnings of unincorporated affiliates.	492	109	383	492	423	69	.....	314	Definitional, reclassification, and statistical
Net interest .....	663	1,046	-383	740	740	.....	77	-306	Reclassification, net to gross, and statistical
<b>1994</b>									
<b>Direct investment income .....</b>	<b>4,925</b>	<b>4,614</b>	<b>311</b>	<b>4,957</b>	<b>4,639</b>	<b>318</b>	<b>32</b>	<b>25</b>	
Earnings of incorporated affiliates ..	4,151	4,022	129	4,152	3,855	297	1	-167	
Dividends .....	1,353	2,121	-768	1,700	1,700	.....	347	-421	Definitional, reclassification, and statistical
Reinvested earnings .....	2,798	1,901	897	2,452	2,155	297	-346	254	Statistical
Earnings of unincorporated affiliates.	432	122	310	432	411	21	.....	289	Definitional, reclassification, and statistical
Net interest .....	342	470	-128	373	373	.....	31	-97	Reclassification, net to gross, and statistical

**Table 7.2.—Direct Investment Income, Southbound**

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
<b>1993</b>									
<b>Direct investment income .....</b>	<b>1,083</b>	<b>214</b>	<b>869</b>	<b>570</b>	<b>435</b>	<b>135</b>	<b>-513</b>	<b>221</b>	
Earnings of incorporated affiliates ..	-122	-12	-110	15	15	.....	137	27	
Dividends .....	563	419	144	444	444	.....	-119	25	Statistical
Reinvested earnings .....	-685	-431	-254	-429	-429	.....	256	2	Statistical
Earnings of unincorporated affiliates.	1,066	93	973	421	286	135	-645	193	Definitional and statistical
Net interest .....	139	133	6	134	134	.....	-5	.....	Gross to net and statistical
<b>1994</b>									
<b>Direct investment income .....</b>	<b>1,263</b>	<b>2,654</b>	<b>-1,391</b>	<b>3,001</b>	<b>2,695</b>	<b>306</b>	<b>1,738</b>	<b>41</b>	
Earnings of incorporated affiliates ..	21	2,055	-2,034	2,062	2,062	.....	2,041	7	
Dividends .....	297	177	120	184	184	.....	-113	7	Statistical
Reinvested earnings .....	-276	1,878	-2,154	1,878	1,878	.....	2,154	.....	Statistical
Earnings of unincorporated affiliates.	1,090	287	803	626	320	306	-464	33	Definitional and statistical
Net interest .....	152	312	-160	313	313	.....	161	.....	Gross to net and statistical

**Table 8.1.—Other Investment Income, Northbound**

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
<b>1993</b>									
<b>Other investment income .....</b>	<b>6,247</b>	<b>9,249</b>	<b>-3,002</b>	<b>9,528</b>	<b>9,528</b>	.....	<b>3,281</b>	<b>279</b>	
Securities .....	4,784	7,561	-2,777	7,510	7,510	.....	2,726	-51	Definitional, reclassification, and statistical
Dividends .....	467	605	-138	568	568	.....	101	-37	
Interest on bonds .....	4,317	6,956	-2,639	6,942	6,942	.....	2,625	-14	Definitional and statistical
U.S. claims/Canadian liabilities .....	1,463	1,688	-225	2,018	2,018	.....	555	330	Net to gross, gross to net and statistical
U.S. bank claims .....	996	266	730	755	755	.....	-241	489	
Other private U.S. claims .....	454	1,422	-968	1,263	1,263	.....	809	-159	Net to gross and statistical
U.S. Government claims .....	13	.....	13	.....	.....	.....	-13	.....	Reclassification
<b>1994</b>									
<b>Other investment income .....</b>	<b>8,055</b>	<b>10,351</b>	<b>-2,296</b>	<b>10,910</b>	<b>10,910</b>	.....	<b>2,855</b>	<b>559</b>	
Securities .....	5,948	8,312	-2,364	8,299	8,299	.....	2,351	-13	Definitional, reclassification, and statistical
Dividends .....	526	660	-134	657	657	.....	131	-3	
Interest on bonds .....	5,422	7,652	-2,230	7,642	7,642	.....	2,220	-10	Definitional and statistical
U.S. claims/Canadian liabilities .....	2,107	2,039	68	2,611	2,611	.....	504	572	Net to gross, gross to net and statistical
U.S. bank claims .....	1,459	175	1,284	936	936	.....	-523	761	
Other private U.S. claims .....	643	1,864	-1,221	1,675	1,675	.....	1,032	-189	Net to gross and statistical
U.S. Government claims .....	5	.....	5	.....	.....	.....	-5	.....	Reclassification

**Table 8.2.—Other Investment Income, Southbound**

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
<b>1993</b>									
<b>Other investment income .....</b>	<b>2,691</b>	<b>4,235</b>	<b>-1,544</b>	<b>3,735</b>	<b>3,726</b>	<b>9</b>	<b>1,044</b>	<b>-509</b>	
Securities .....	1,836	2,131	-295	2,131	2,131	.....	295	.....	Definitional and statistical
Dividends .....	1,508	1,533	-25	1,533	1,533	.....	25	.....	
Interest on bonds .....	328	598	-270	598	598	.....	270	.....	Definitional and statistical
Canadian claims/U.S. liabilities .....	173	593	-420	508	499	9	335	-94	Net to gross, gross to net, and statistical
Canadian bank claims .....	117	549	-432	470	461	9	353	-88	
Other Canadian claims .....	56	44	12	38	38	.....	-18	-6	Net to gross and statistical
U.S. Government liabilities .....	682	1,511	-829	1,096	1,096	.....	414	-415	Statistical
<b>1994</b>									
<b>Other investment income .....</b>	<b>3,177</b>	<b>4,984</b>	<b>-1,807</b>	<b>4,306</b>	<b>4,281</b>	<b>25</b>	<b>1,129</b>	<b>-703</b>	
Securities .....	2,008	2,192	-184	2,192	2,192	.....	184	.....	Definitional and statistical
Dividends .....	1,493	1,529	-36	1,529	1,529	.....	36	.....	
Interest on bonds .....	515	663	-148	663	663	.....	148	.....	Definitional and statistical
Canadian claims/U.S. liabilities .....	421	825	-404	757	732	25	336	-93	Net to gross, gross to net, and statistical
Canadian bank claims .....	362	759	-397	710	685	25	348	-74	
Other Canadian claims .....	59	66	-7	47	47	.....	-12	-19	Net to gross and statistical
U.S. Government liabilities .....	748	1,967	-1,219	1,357	1,357	.....	609	-610	Statistical